State Treasurer
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Washington Future Fund

What is the Washington Future Fund?

The Washington Future Fund is a promise to those born with the least that when you are ready to take your first steps toward financial security, the state of Washington will provide the basic capital needed to start your journey. Whether it's buying a house, financing an education, or starting a business, we want to reduce the capital barriers for Washingtonians forging their pathway to stability and prosperity.

What problem are we addressing?

Wealth is a key factor in determining the long-term economic stability of Washington families and which opportunities they may have access to. Income inequality, especially the substantial wealth disparities between families in different racial and ethnic groups, contributes significantly to cycles of generational poverty. Providing a base level of capital to our Washington neighbors most in need so that they may participate more fully in asset enhancing activities such as home ownership, post-secondary education, or owning a business creates an accessible pathway out of poverty.

How does it work?

For every child born under Apple Health, Washington would allocate $3,200 into an investment pool. The Office of the State Treasurer would administer the program and the State Investment Board would manage and maximize the investment. Eligible Washingtonians aged 18 to 30-years-old may have access to a one-time disbursement that can be used for three, in state purposes: buying a home, pursuing post-secondary education, or starting a small business.

Who will be an eligible recipient of these funds?

To receive an allocation from the Washington Future Fund, individuals must have had a qualifying birth funded by Apple Health, be a Washington resident at the time of claiming the funds, and must not have accrued personal wealth above the constitutional limit for the gift of public funds exemption.

How do we pay for it?

With an estimated 40,000 Apple Health births every year (nearly half the births in Washington), roughly $128 million would be invested annually (initially from the General Fund). After 31 years, unclaimed funds would be re-invested in the program to create a long-term, sustainable revolving fund for generations to come. By reserving money now, we can invest in the decades ahead to meet future needs and obligations of the state.

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Who would administer this program and its related policies?

The program will be housed in the Office of the State Treasurer. As no funds will be distributed to beneficiaries for the first 18 years from initial implementation, there will be ample opportunity to develop procedures for future disbursement. Five years after the initial investment is made, the Treasurer will convene a workgroup, with representatives from the Legislature and key stakeholder groups, to address concerns such as disbursement procedures, fraud mitigation, etc. After ten years, the workgroup will report to the legislature on program development.

What happens if the child's residency and other circumstances change during their childhood?

We understand that a child's circumstances may fluctuate over their first 18 years through no control of their own. Changes in family residency or income do not impact eligibility, provided that the above eligibility factors are met at the time the funds are claimed.

Why an investment fund rather than individual accounts?

Pooling dollars into a single fund provides several advantages. Along with significantly reducing the administrative cost, this structure maximizes the potential return for beneficiaries. This also avoids attributing assets to individuals or families as the fund matures, ensuring that these future distributions do not impair or prevent receipt of other state benefits.

Has anyone else done this before?

Last year, Connecticut was the first state to enact "Baby Bonds" legislation. However, Washington would be the first state to structure the investments in a debt-free trust. Creating and managing the Washington Future Fund in this manner would be considered a national model for other states seeking to create effective pathways out of poverty.

Is a constitutional amendment required for the investments?

A constitutional amendment is not required to invest the pool in standard, fixed-asset investments, which yield modest returns. In order to invest in stocks, and other types of higher-yield investments, (similar to how our pensions are invested) a constitutional amendment would be necessary.